What is claimed is:

1. A method of processing video data comprising the steps of:

encoding video data representing a series of images using motion compensated prediction on at least some of the images being encoded, the step of encoding the video data including the step of generating motion vectors for first and second image areas, the step of generating motion vectors for the first image area including the step of:

limiting the generation of motion vectors for first image areas so that coded pixels in the first image areas are limited to be a function of coded pixels of corresponding first image areas of preceding or subsequent images.

2. The method of claim 1, wherein the step of generating motion vectors for the second image area includes the step of:

limiting the generation of motion vectors for second image areas so that coded pixels in the second image areas are limited to be a function of coded pixels of corresponding second image areas of preceding or subsequent images; and

wherein the second image area is an image subwindow located within an image.

3. The method of claim 1, further comprising the steps of:

transmitting encoded data representing the encoded images to a transmitting station,

removing from encoded data received by the transmitting station encoded data corresponding to the second image area to generate a set of encoded main picture data; and

combining the encoded main picture data with additional encoded data including at least some data content provided at the transmitting station.

4. The method of claim 2, further comprising the steps of:

transmitting encoded data representing the encoded images to a transmitting station,

removing from encoded data received by the transmitting station encoded data corresponding to the second image area to generate a set of encoded main picture data; and

combining the encoded main picture data with additional encoded data including at least some data content provided at the transmitting station.

5. The method of claim 4, further comprising the steps of:

decoding at least some of the removed encoded data;

combining the decoded data with at least some additional data; and

encoding the combined decoded data and additional data to generate said encoded data including at least some data content provided at the transmitting station.

6. The method of claim 5, further comprising the steps of:

transmitting the combined encoded main picture data and additional encoded data to a video decoder;

decoding the combined encoded main picture data and additional encoded data; and

displaying the decoded data.

7. The method of claim 2, further comprising the steps of:

transmitting data representing the encoded images to a transmitting station,

decoding the encoded video data corresponding to the second image portion of at least one encoded video image;

processing the decoded image data to combine it with additional image data;

encoding the image data resulting from the combination of the decoded image data and the additional image data to generate encoded insert image data;

transmitting encoded image data corresponding to the first segment of the images received by the transmitting station and the encoded insert image data to the video decoder, and

decoding and displaying the encoded image data transmitted to a video decoder.

8. The method of claim 2, wherein the step of encoding video data representing a series of images using motion compensated prediction techniques further comprises the step of:

generating information identifying the portions of the images upon which motion compensated prediction was separately applied.

9. The method of claim 8, wherein the second segment is an image subwindow into which data can be inserted by a local broadcaster, the method further comprising the step of:

transmitting to the local broadcaster the generated information identifying the image subwindow into which data can be inserted.

10. A method of encoding a second image as a function of a first image, the first and second images each including a first and second non-overlapping image segments, the method comprising the step of:

using as reference data from the first image, only image data corresponding to the first image segment of the first image, when generating motion vectors to represent a portion of the first image segment of the second image; and

using as reference data from the first image, image data corresponding to the second image segment of

the first image, when generating motion vectors to represent a portion of the second image segment of the second image.

11. The method of claim 10, wherein the method further involves encoding the second image as a function of a third image in addition to the first image, the method further comprising the steps of:

using as reference data from the third image, only image data corresponding to a first image segment of the third image, when generating motion vectors to represent a portion of the first image segment of the second image.

12. The method of claim 11, further comprising the step of:

using as reference data from the third image, image data corresponding to the second image segment of the first image, when generating motion vectors to represent a portion of the second image segment of the second image.

13. The method of claim 12, wherein the first image precedes the second image in a video sequence and the third image follows the second image in a video sequence, the method further comprising the step of:

limiting the use of image data, for reference purposes when generating motion vectors to represent the second image segment of the second image, included in the first and third images solely to use of the second image

segment when encoding the second image segment of the second image.

14. The method of claim 10, wherein each of the first and second images further includes a third image region, the third image region being distinct from the first and second image regions and corresponding to the same portion of each of the first and second images, the method further comprising the step of:

using as reference data from the first image, only image data corresponding to the third image segment of the first image, when generating motion vectors to represent a portion of the third image segment of the second image.

15. The method of claim 10, further comprising the step of:

inserting into the encoded data representing the second image, at least one bit identifying the position of the encoded data representing the second image segment within the encoded data representing the second image.

16. The method of claim 10, wherein the first and second image regions are encoded using independent non-overlapping sets of reference data for motion compensated prediction purposes, the method comprising the steps of:

inserting into the encoded data, information identifying each of the image segments which is

independently encoded using motion compensated prediction techniques.

17. A video encoder, comprising:

a motion compensated prediction encoding circuit for generating motion vectors to represent segments of a second image as a function of a first image; and

a motion vector control module for controlling the motion compensated prediction module to encode an image as a plurality of distinct non-overlapping image segments at least one segment of which is encoded using only a corresponding image segment of the first image as reference data when generating motion vectors to represent the segment of the second image.

18. The video encoder of claim 17, further comprising:

means for including information identifying encoded data corresponding to at least one of the distinct non-overlapping image segments in the encoded data.

19. A video encoder, comprising:

memory for storing information used to identify a plurality of distinct non-overlapping image segments which comprise an image; and

an encoder which performs motion compensated encoding on a least one segment of an image being encoded using reference image data obtained only from the

corresponding image segment of one or more additional images.

20. The video encoder of claim 19, further comprising:

a circuit for including information within a set of generated encoded data identifying encoded data corresponding to said at least one segment.

21. A system for inserting data into an encoded bitstream, comprising:

a parser for extracting data corresponding to an image segment to be replaced and for generating a set of encoded main image data which does not include the extracted encoded image segment data; and

an encoded image data combining circuit for combining the encoded main image data with insert encoded image segment data to generate a modified set of encoded image data.

22. The system of claim 21, further comprising:

a decoder coupled to the parser for receiving and decoding the extracted image data;

an unencoded data combining circuit coupled to the decoder for receiving decoded image data obtained from the decoder with unencoded local image data to generate a set of unencoded image data representing the image segment to be replaced; and

an encoder, coupled to the unencoded data combining circuit for encoding the set of unencoded image data representing the image segment to be replaced to

thereby generate the set of insert encoded image segment data.